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SUBJECT: ROMANIA: PROPERTY RESTITUTION FOR HOLOCAUST SURVIVORS AND HEIRS

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**¶11. (U)** This is in response to the questions raised in reftel regarding the effect of unresolved Holocaust-era property claims on the broader real estate market.

**¶12. (SBU)** Many real estate transactions in Romania are, at least to a certain extent, complicated by communist era property expropriations. The majority of these complications are unconnected to the separate, but related, issues stemming from the Holocaust and World War II. World War II- era title issues involve only a small subset of transactions in formerly expropriated properties.

**¶13. (SBU)** According to the Executive Director of Caritatea Foundation (an organization which assists in filing claims to formerly Jewish-owned properties), Samuel Izsak, outstanding claims from both the World War II and communist eras have inhibited sales and other transfers of rights of property. According to Izsak, "Investors do due diligence," he said. "No one will touch a property if he knows someone will want it, until the case is resolved." Widespread uncertainty connected with property titles has led to systematic underinvestment in maintenance and restoration, a major necessity in earthquake-prone Bucharest. Large-scale urban projects are also difficult to plan when certain parcels of land (or surrounding buildings) are subject to ongoing restitution claims. "None of this pertains to logical real estate management," the director mused. Caritatea alone has filed 1,980 claims for restitution, of which only 300 have been resolved, a not atypical success rate.

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